

RURAL WATER DISTRICT NO. 5, DOUGLAS COUNTY
Lawrence, Kansas

STATUTORY BASIS FINANCIAL STATEMENTS
For the year ended December 31, 2011
And

INDEPENDENT AUDITORS' REPORT

Long CPA, PA
A Professional Association
Certified Public Accountants

RURAL WATER DISTRICT NO. 5, DOUGLAS COUNTY
Lawrence, Kansas

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To the Board of Directors
Rural Water District No. 5, Douglas County
Lawrence, Kansas 66047

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

We have audited the financial statements of the individual funds of Rural Water District No. 5, Douglas County Lawrence, Kansas, as of and for the year ended December 31, 2011, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

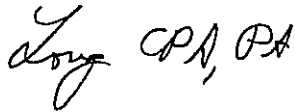
In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2011, or changes in financial position for the year then ended.

Board of Directors
Rural Water District No. 5, Douglas County

In our opinion, the financial statements, referred to above present fairly, in all material respects, the cash and unencumbered cash balance of Rural Water District No. 5, Douglas County, as of December 31, 2011 and the cash receipts and cash disbursements for the year then ended, on the basis of accounting described in Note 1.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information presented on pages 14-18 is presented for purposes of additional analysis and is not a required part of the basic financial statements of Rural Water District No. 5, Douglas County, Lawrence, Kansas. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, subject to the above qualifications, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The supplemental schedules on pages 14 and 15 differ from the information presented in the basic financial statements, which are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas.

A handwritten signature in cursive script that reads "Long CPA, PA".

Long CPA, PA
A Professional Association
Certified Public Accountant

January 26, 2012

RURAL WATER DISTRICT NO.5, DOUGLAS COUNTY
 Summary of Expenditures - Actual and Budget
 For the year ended December 31, 2011

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Favorable (Unfavorable)</u>
Proprietary					
Water Utility	\$ 891,212	\$ 0	\$ 891,212	\$ 1,306,839	\$ (415,627)

The notes to the financial statements are an integral part of this statement.

**RURAL WATER DISTRICT NO. 5, DOUGLAS COUNTY
WATER UTILITY FUND**

Statement of Cash Receipts and Expenditures - Actual and Budget
For the year ended December 31, 2011

	Actual	Budget	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Water sales	\$ 866,125	\$ 882,062	\$ (15,937)
Reimbursements	35,287		35,287
Capital contributions	27,200	34,000	(6,800)
Interest income	14,561	13,250	1,311
Miscellaneous	29,512		29,512
Operating transfers			0
Total Cash Receipts	<u>972,685</u>	<u>929,312</u>	<u>43,373</u>
EXPENDITURES			
Water purchased	339,125	319,015	(20,110)
Wages	248,632	244,000	(4,632)
Payroll taxes	19,020	18,666	(354)
Other taxes and fees	1,564		(1,564)
Water fees	4,164	4,464	300
Contract services			0
Health insurance	31,975	32,000	25
Insurance	15,711	16,000	289
Supplies	5,943	10,500	4,557
Utilities	15,782	28,825	13,043
Telephone, Internet and radio	9,457		(9,457)
Office supplies and postage	17,813	10,000	(7,813)
Vehicle expense	44,390	27,500	(16,890)
Professional fees	5,995	8,000	2,005
Plant and equipment purchases	389,140	0	(389,140)
Inventory purchases	11,169		(11,169)
Repairs and maintenance	13,569	24,000	10,431
Engineering	1,991	5,000	3,009
Training and conferences	1,163	1,800	637
Dues	908	840	(68)
Miscellaneous	1,176	12,450	11,274
Debt service	128,152	128,152	0
Operating transfers			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>1,306,839</u>	<u>\$ 891,212</u>	<u>\$ (415,627)</u>
Receipts Over (Under) Expenditures	(334,154)		
Unencumbered Cash, Beginning	1,391,005		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,056,851</u>		

The notes to the financial statements are an integral part of this statement.

RURAL WATER DISTRICT NO.5, DOUGLAS COUNTY
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

Rural Water District No. 5, Douglas County (the District) is a water utility that provides service for domestic, agricultural, and other purposes to rural customers. The district was organized under Kansas law as a quasi-municipal corporation. The District is accounted for as an enterprise fund using the cash basis and budget laws of the State of Kansas. The District's purpose is to acquire water and water rights, to build and acquire pipelines and other facilities, and to operate the same for the purpose of furnishing water to owners and occupants of land located within the District.

The following types of funds comprise the financial activities of the District for the year of 2011:

Proprietary Funds

Enterprise Funds - To account for operations that are financed and operated in a manner similar to private business enterprises – where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges – or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

RURAL WATER DISTRICT NO.5, DOUGLAS COUNTY
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies(Continued)

Statutory Basis of Accounting(continued)

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

Departure from Generally Accepted Accounting Principles (GAAP)

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursement, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenues and matured principle and interest payable, and reservations of fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with United States generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

Use of Estimates

The preparation of financial statements in compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purposes of the statement of cash flows and summary of cash balances, cash and cash equivalent are defined as demand deposits and certificates of deposit at banks with maturities of three months or less.

RURAL WATER DISTRICT NO.5, DOUGLAS COUNTY
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Accounts Receivable

The District reads the meters and mails the bills between the 25th and the end of the month. Payments are considered delinquent if not paid by the 16th and are subject to a late charge of 10%.

Inventory

Inventory consists primarily of meters, pipe, and line maintenance material. Inventories are stated at the lower of cost or market. Cost is determined using the average cost method.

Property and Equipment

Property and equipment are recorded at cost. Improvements and betterments to existing property and equipment are capitalized. Expenditures for maintenance and repair which do not extend the life of the applicable assets are charged to expense as incurred. Depreciation is computed using the straight-line method over the estimated useful life of the asset. Depreciation expense totaled \$ 189,141 for the year ended December 31, 2011.

Loan Costs

Loan costs are costs in connection with obtaining a loan from the Kansas Public Water Supply Loan Fund. These costs include the loan origination fee and the financial integrity assurance contract fee. The costs are being amortized over the life of the loan using a straight-line method.

Benefit Units

Benefit units are rights that entitle the holder to water service. Benefit units are presently sold for \$ 6,800 and are added directly to equity rather than recognizing these sums as revenues.

Income Taxes

The District is considered a tax-exempt entity and is not subject to income taxes at either the federal or state level.

RURAL WATER DISTRICT NO.5, DOUGLAS COUNTY

Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the district. The statute requires banks eligible to hold the district's funds have a main or branch bank in the county in which the district is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The district has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the district's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The district has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

State statutes place no limit on the amount the district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. State statutes require the district's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at December 31, 2011.

At December 31, 2011, the District's carrying amount of deposits, including certificates of deposit, was \$ 1,056,851 and the bank balance was \$ 1,079,643, of which \$ 1,079,643 was covered by FDIC insurance.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the district will not be able to recover the value of its

RURAL WATER DISTRICT NO.5, DOUGLAS COUNTY
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (Continued)

Custodial Credit Risk – Investments(continued)

investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 – Water Contracts

In June 1974, the District entered into a 40-year contract with an addendum added in May 1975, for treatment of water from the City of Lawrence, Kansas. New contracts were entered into in December 1998 and October 2008.

In 1977, the District entered into a 40-year contract with the State of Kansas, represented by the Kansas Water Resources Board, which allows the District to withdraw 48 million gallons of water from Clinton Lake. The Kansas Water Resources Board has the right to review the contract and determine a new rate every ten years. In 1995, the District entered into an additional 40-year contract with the State of Kansas, Represented by the Kansas Water Resources Board, which allows the District to withdraw 135 million gallons of water from Clinton Lake.

In 1991, the District entered into a 20-year contract with Rural Water District No. 3, Douglas County, Kansas (RWD #3) to purchase water from the Tri-District water treatment facility. The District is to pay \$ 155,000, of which \$ 15,000 was paid in both 1991 and 1993 when the pump station began operation. The remaining balance of \$ 125,000 is being paid in 240 monthly installments. The District is required to purchase at least 900,000 gallons of water per month at a price determined annually by the actual operating cost of the treatment facility plus 15%.

NOTE 4 – Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the county carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

RURAL WATER DISTRICT NO.5, DOUGLAS COUNTY
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Compliance with Kansas Statutes

We noted no violations of Kansas statutes for the period under examination. The amount of expenditures for the water district can exceed the budgeted amount since the board approves all expenses and the district is not subject to the budgetary requirements of K.S.A. 79-2925.

NOTE 6 – Compensated Absences

The District pays vacation time up to 10 days a year for employees who have worked less than 10 years. For employees who have worked more than 10 years but less than 20 years, the District will pay for three weeks of vacation. For employees who have worked more than 20 years, the District will pay for four weeks of vacation. The district allows full time employees sick leave at the rate of eight hours per month with an accumulation to a maximum of 720 hours. Upon separation from the district the employee shall be compensated at their regular rate of pay for 25% of unused accumulated sick leave. No accrued vacation or sick leave is included in these financial statements due to the immateriality of the amount.

NOTE 7 – Concentration of Suppliers

The District acquires 100% of its water supply from the State of Kansas. The City of Lawrence and Tri-District plant treat, processes and transports water to Rural Water District #5. There are no other suppliers of water available for the District.

NOTE 8 – Debt Reserve Fund

As part of the Kansas Public Water Supply Loan Fund (KPWSLF), the District is required to maintain a loan reserve amount equal to 10% of the original principal amount. The District is funding the reserve fund with proceeds from the KPWSLF. The loan reserve fund is being held by the Kansas Development Finance Authority (KDFA) and earning an interest rate of 4.02%.

In addition, the District is required to maintain a debt reserve of \$ 54,069 for the Berkadia Commercial Mortgage, LLC, loan and \$ 11,796 for the Rural Water District No. 3 loan. The District has complied with these debt reserve requirements by reserving part of the certificates of deposit. (See Note 2)

RURAL WATER DISTRICT NO.5, DOUGLAS COUNTY
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 8 – Debt Reserve Fund (continued)

The following represents a recap of the debt reserve requirements:

KPWSLF	\$ 62,287
Berkadia Mortgage	54,072
Rural Water District No. 3	<u>11,796</u>
	<u>\$ 128,155</u>

NOTE 9 – Debt Reserve Fund

In 2001, the District received a loan from the Kansas Public Water Supply Loan Fund (KPWSLF) up to \$ 1,556,629 (\$ 539,404 outstanding at December 31, 2011) bearing interest at 4.37%. Revenues of the District have been pledged as security. As part of the loan, the District is required to maintain a debt service coverage ratio of 1.25 and establish a loan reserve account in the amount of 10% of the unpaid principal. The District's debt service coverage ratio for 2011 as calculated by the financial worksheet is 1.42 and is shown as follows:

Revenue over (under) expenditures	\$ 141,690
Interest expense	<u>40,798</u>
Net Revenue available for Debt Service	182,488
Debt service	<u>128,152</u>
Debt service coverage ratio	<u>1.42</u>

NOTE 10 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

RURAL WATER DISTRICT NO.5, DOUGLAS COUNTY
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 11 – Subsequent Events Review

Subsequent events for management's review have been evaluated through January 26, 2012. The date in the prior sentence is the date the financial statements were available to be issued.

During 2011, the District adopted KPERS as the District's retirement plan for all eligible current and future employees starting January 1, 2012. The Unfunded Actuarial Liability for the District as of January 1, 2013 is \$ 376,429. The District elected to make payments to the KPERS system for 10 years of \$ 51,944 per year on January 1 to cover the retirement funding of current and future employees. The estimated annual interest rate is 8%. No provision for this long term commitment transaction has been recorded in these financial statements.

NOTE 12 – Long Term Debt

The following are schedules of the long term debt and current maturities of debt of the District.

RURAL WATER DISTRICT NO.5, DOUGLAS COUNTY
Statement of Changes in Long-Term Debt
For the year ended December 31, 2011

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Loans:										
Berkadia Mortgage	5.00%	4/1/77	\$ 920,000	4/30/17	\$ 234,861	\$ 0	\$ 43,009	\$ (43,009)	\$ 191,852	\$ 11,060
Kansas Public Water Supply Loan	4.02%	2/1/03	1,158,095	8/1/22	576,886		37,482	(37,482)	539,404	22,818
RWD #3 Construction Loan	7.00%	11/20/92	127,000	11/20/12	23,464		10,486	(10,486)	12,978	1,310
Total Long Term Debt					<u>\$ 835,211</u>	<u>\$ 0</u>	<u>\$ 90,977</u>	<u>\$ (90,977)</u>	<u>\$ 744,234</u>	<u>\$ 35,188</u>
Principal										
General Obligation Bonds	\$	\$	\$	\$	\$	\$	\$	\$	0	
Special Assessment Bonds								0		
Certificates of Participation								0		
Capital Leases	97,437	88,496	92,729	93,405	46,526	265,338	60,303	744,234		
Revenue Bonds								0		
No-Fund Warrants								0		
Temporary Notes								0		
Total Principal	<u>97,437</u>	<u>88,496</u>	<u>92,729</u>	<u>93,405</u>	<u>46,526</u>	<u>265,338</u>	<u>60,303</u>	<u>744,234</u>		
Interest										
General Obligation Bonds								0		
Special Assessment Bonds								0		
Certificates of Participation								0		
Capital Leases	30,599	26,147	22,060	17,775	14,499	42,405	1,825	155,310		
Revenue Bonds								0		
No-Fund Warrants								0		
Temporary Notes								0		
Total Interest	<u>30,599</u>	<u>26,147</u>	<u>22,060</u>	<u>17,775</u>	<u>14,499</u>	<u>42,405</u>	<u>1,825</u>	<u>155,310</u>		
Total Principal and Interest	<u>\$ 128,036</u>	<u>\$ 114,643</u>	<u>\$ 114,789</u>	<u>\$ 111,180</u>	<u>\$ 61,025</u>	<u>\$ 307,743</u>	<u>\$ 62,128</u>	<u>\$ 899,544</u>		

RURAL WATER DISTRICT NO. 5, DOUGLAS COUNTY**BALANCE SHEETS**

As of December 31, 2011 and 2010

	ASSETS	
	2011	2010
Current Assets		
Cash and cash equivalents	\$ 178,576	\$ 200,205
Certificates of deposit	878,275	1,190,800
Account receivable	73,536	67,201
Inventory	30,931	30,396
Prepaid insurance	12,821	12,790
Prepaid water	22,408	20,203
Total current assets	1,196,547	1,521,595
Property, plant, and equipment, net	4,016,330	3,877,331
Other Assets		
Water purchase contract	155,000	155,000
Accumulated amortization	(140,602)	(133,101)
Debt reserve	128,155	128,155
Loan costs	14,476	14,476
Amortization of loan costs	(6,516)	(5,792)
Total Assets	\$ 5,363,390	\$ 5,557,664
LIABILITIES AND DISTRICT EQUITY		
Current Liabilities		
Current maturity of long term debt	\$ 97,437	\$ 91,220
Accrued payroll	20,475	21,573
Water protection fee payable	1,362	961
Interest payable	9,035	9,663
Total current liabilities	128,309	123,417
Long Term Debt	744,234	835,211
Current maturity of long term debt	(97,437)	(91,220)
Total liabilities	775,106	867,408
District Equity	4,588,284	4,690,256
Total liabilities and member's equity	\$ 5,363,390	\$ 5,557,664

The notes to the financial statements are an integral part of this statement.

RURAL WATER DISTRICT NO. 5, DOUGLAS COUNTY

STATEMENTS OF OPERATIONS

For the periods ended December 31, 2011 and 2010

	2011	2010
Revenues		
Water sales	\$ 866,624	\$ 819,042
Reimbursements	35,287	60,429
Miscellaneous	29,512	10,179
Operating transfers		
Total revenues	931,423	889,650
Expenses		
Water purchased	341,330	312,756
Wages	247,534	173,695
Payroll taxes	19,020	13,288
Other taxes and fees	1,564	382
Water fees	4,164	4,223
Contract labor	0	0
Health insurance	31,975	23,890
Insurance	15,742	15,725
Supplies	5,943	1,253
Utilities and radio	15,782	18,610
Telephone, Internet, radio	9,457	7,073
Office supplies and postage	17,813	14,622
Vehicle expense	44,390	19,072
Professional fees	5,995	11,581
Public Wholesale	61,000	24,000
Depreciation	189,141	191,031
Amortization	8,225	8,225
Inventory purchases	11,704	8,721
Repairs and maintenance	13,569	25,034
Engineering	1,991	4,943
Training and conferences	1,163	1,250
Dues	908	840
Miscellaneous	1,176	491
Total expenditures	1,049,586	880,705
Income from operations	(118,163)	8,945
Other income (expense)		
Interest income	14,561	26,912
Interest expense	(36,347)	(41,249)
Late charges	10,777	11,868
Total other income (expense)	(11,009)	(2,469)
Net income (loss)	(129,172)	6,476
District Equity - Beginning of Year	4,690,256	4,622,580
Benefit units sold	27,200	61,200
District Equity - End of Year	\$ 4,588,284	\$ 4,690,256

The notes to the financial statements are an integral part of this statement.

RURAL WATER DISTRICT NO. 5, DOUGLAS COUNTY

SUMMARY OF INSURANCE COVERAGE AND FIDELITY BONDS

As of December 31, 2011

Property Covered	Coverage	Expires
Commercial property:	90% Coinsurance	11/10/2012
Building and personal property	1,585,000	
General Liability:		11/10/2012
Aggregate Limit -		
products/completed operations	2,000,000	
other than products/completed ops	2,000,000	
Personal and advertising injury	1,000,000	
Fire damage (per fire)	100,000	
Medical expense (per person)	5,000	
Commercial Auto:		11/10/2012
Liability insurance (per loss)	500,000	
Uninsured motorist	500,000	
Underinsured motorist	500,000	
Commercial Inland Marine:		11/10/2012
Acquired locations	250,000	
Newly purchased hardware	250,000	
Data processing	10,500	
Workmen's compensation:		11/10/2012
Bodily injury by accident	500,000	
Bodily injury by disease (per employee)	500,000	
Bodily injury by disease (policy limit)	500,000	
Public Employee Dishonesty:		11/10/2012
Per loss	100,000	
Errors and Omissions		11/10/2012
Claim	1,000,000	
Aggregate	1,000,000	
Terrorism - Defined certified acts	varies	11/10/2012

The notes to the financial statements are an integral part of this statement.

RURAL WATER DISTRICT NO. 5, DOUGLAS COUNTY

SCHEDULE OF FIXED ASSETS ADDITIONS AND RETIREMENTS

As of December 31, 2011

	<u>2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>2011</u>
Rural water system	\$ 5,081,119	\$ 328,140	\$ -	\$ 5,409,259
Water towers	458,162			458,162
Standpipe and pumps	68,788			68,788
Booster station	415,452			415,452
Road improvements	3,500			3,500
Land	49,853			49,853
Equipment, furniture and fixtures	92,805			92,805
Building	142,211			142,211
Vehicles	55,826			55,826
	<u>6,367,716</u>	<u>328,140</u>	<u>-</u>	<u>6,695,856</u>
Less accumulated depreciation	<u>(2,490,385)</u>	<u>(189,141)</u>		<u>(2,679,526)</u>
Water system	<u>\$ 3,877,331</u>	<u>\$ 138,999</u>	<u>\$ -</u>	<u>\$ 4,016,330</u>

The notes to the financial statements are an integral part of this statement.

RURAL WATER DISTRICT NO. 5, DOUGLAS COUNTY

BOARD MEMBERS AND OFFICERS

As of December 31, 2011

Chairman:	Kurt Look 626 N 1000 Rd Lawrence, KS 66047
Vice Chairman:	Dan Suchy 568 N 775 Rd Lawrence, KS 66047
Secretary/Treasurer:	Richard Rose 633 E 582 Rd Lawrence, KS 66047
Board Member:	Rob Beilfuss 187E 650 Rd Overbrook, KS 66524
Board Member:	Bob Parsons 1026 E 1326 Rd Lawrence, KS 66047
Board Member:	Amy Barnes 1063 N 1172 Rd Lawrence, KS 66047
Board Member:	Lizz Crist 173 E 550 Rd Lawrence, KS 66047

The notes to the financial statements are an integral part of this statement.